



Canyon Fuel
Company, LLC.
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC

C/007/005 Incoming

#3544

Q

Gregg Galecki, Environ. Engineer
HCR 35, Box 380
Helper, UT 84526
(435) 448-2636 - Office
(435) 448-2632 - Fax

May 6, 2010

COPY

Mr. James D. Smith
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

RE: Rail Loadout Asphalt and Concrete – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/005,

Dear Jim:

Attached to this letter is pertinent information requesting approval to initiate additional asphalt and concrete surfacing of the road aprons to SR 96 in the Lower Rail Loadout (RLO) area. The asphalt surfacing would include the south entrance of the RLO rail entrance off SR 96, and a small road-shoulder area on the west side of SR96 located due east of the sedimentation pond. Concrete surfacing would be done at the exit or north rail entrance off SR96. The asphalt and concrete surfacing work is being conducted to minimized dust control in high truck traffic areas. The permit modification consists of: 1) Minor text modification to the MRP concerning ASCAs (pages 3-69, 3-70), 2) Plate 3.2.1-3 Loadout Facilities Drainage and Permit Boundary Map illustrating the locations of the asphalt and concrete surface areas, and 3) the appropriate adjustments to the Reclamation bond to accommodate demolition and disposal of both the asphalt and concrete.

Attached to this cover letter are completed C1 and C2 forms, five (5) copies of both redline/strikeout and clean text of the bond information, five (5) clean copies of Plate 3.2.1-3, and one (1) Compact Disc (CD) containing the complete submittal package. One copy of the submittal was delivered directly to the Price Field Office.

If you have any questions regarding this information, please give me a call at (435) 448-2636.

Sincerely:

Gregg A. Galecki
Canyon Fuel Company, LLC.
Environmental Engineer – Skyline Mines

Enclosures

File in:

☐ Confidential

☐ Shelf

☒ Expandable

Date Folder 05/11/2010 C/ 0070005

See: Incoming

For additional information

RECEIVED

MAY 11 2010

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

COPYPermit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Rail Loadout Asphalt

Description, Include reason for application and timing required to implement:

Changes made to Surface Facility Map and bond calculations to accommodate asphalt and concrete installation.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
- Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☒ Yes ☐ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Wesley & Sorenson
Print Name

Wesley & Sorenson
Sign Name, Position, Date

Subscribed and sworn to before me this 28th day of April, 2010

Kathleen Atwood
Notary Public

My commission Expires: 11/12, 2011 }
Attest: State of Utah } ss:
County of Carbon



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

RECEIVED**MAY 11 2010****DIV. OF OIL, GAS & MINING**

COOPY

Title: Rail Loadout Asphalt and concrete

Form DOGM - C2 (Revised March 12, 2002)

seeded and mulched, and, where needed, additional straw bales and/or silt fences, erosion mats installed to treat any runoff. Part of the area also has a collection ditch below the straw bales. Where needed, this ditch has a series of straw bales across the drainage at 15-20 foot intervals. Much of the ditch has become well grassed-in and is almost indistinguishable from the adjacent undisturbed areas and does not need any additional silt control devices as the runoff has already been treated with strawbales and/or silt fences.

Area 16. This area is south of the truck dump and is shown on Map No. 3.2.1-3. This area contains .61 acres and is the fill slope of the access road. The slope has been reseeded and basically has a well established cover of vegetation. The disturbance around the overland conveyor towers have been seeded and mulched, and have additional straw bales and/or silt fences, erosion mats, where needed, to treat any surface runoff. (See Area 10a)

Area 17. This area is south of the RLO sediment pond and is shown on Map No. 3.2.1-3. This area contains .35 acres and has been classified as an "Alternative Sediment Control Area." Much of the area has been paved. There are straw bales and/or silt fences and three small straw dikes to treat any runoff water. One of these straw dikes is on the UDOT rights-of-way of SR-96. This treatment location has been aproved by UDOT (refer to UDOT letter dated 7/18/89 from L. Archie Hamilton, District Four Pre/construction Engineer, Page 3-70).

Area17a. This area is adjacent to RRLO sediment ponds and is shown on Map 3.2.1-3. This area contains .15 acres and has been classified as an "Exempt Area" since it is the outslope of the sediment pond embankment.

Areas 18. This area is adjacent to the Railroad Loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as an exempt area as the entire area is paved.

Area 19. This area is adjacent to the Railroad loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as an ~~as the entire area is paved~~ "Alternate Sediment Control Area". ~~This area has been covered with approximately 4 inches of clean 2-inch rock material. The runoff is also treated with strawbales and/or silt fence.~~

Revised: 4/28/1012/27/05-

Areas 20, 21, ~~and 22~~, and 22a. These areas are the highway approaches from SR-96 to the Railroad Loadout area itself (two approaches), ~~and~~ the area south of the loadout structure, ~~and a small road-~~ **shoulder area west of the Railroad Loadout exit.** These areas are shown on Map 3.2.1-3. These areas contain .1 acre and have been classified as "Special Exempt Areas." These road approaches are paved. Area 20 also contains a small straw dike to treat water from the area that is not paved and additional treatment for water leaving the paved area. All of these areas are part of the permitted area and will be reclaimed during final reclamation; however, these areas fall within the rights-of-way of SR-96 (refer to UDOT letter dated 7-18-89 from L. Archie Hamilton, District Four Pre/Construction Engineer, found in this section). The Permittee has no control over the activities of UDOT or the public who utilize these approaches; therefore, the Permittee is not responsible for the activities (other than his own) which occur on these approaches.

Area 23. This area is the South Fork Breakout Area and is shown on Map No. 3.2.11-1. This area contains .96 acres (see Areas 32 and 33 which are classified as exempt areas). The South Fork Breakout Area was reclaimed in 2003 and the access trail was completely reclaimed in 2005 and is considered a Small Area Exemption. All existing silt fencing was removed, with the exception of temporary silt fencing that was used during reclamation construction. Extreme surface roughening or 'deep gouging' was used as the form of sediment control until vegetation is established. Figure 3.2.11-1 will be modified to reflect these changes once the area is flown to establish the reclamation topography.

Area 24. The access road to the Scofield Waste Rock Disposal Site is shown on Map No. 3.2.8-1. It contains 3.45 acres and is classified as a "Primary Access Road".

Area 24a. A small area of .1 acre was disturbed adjacent to the Scofield Waste Rock access road. This area has been reseeded and is becoming well re-vegetated. Any runoff water leaving this area enters the roadside drainage. A Sed-Cad model program has been done for this area which demonstrated that alternate sedimented control measurers are not needed. This area is therefore classified as an exempt area. (See Vol. 5 Sec. 21 and 21 (a))

Area 25. This area goes from overland conveyor bent 155 to bent 154a, shown on Map 3.2.3-3a. This area is permitted but has no disturbance within it. The overland conveyor does span across this area.

seeded and mulched, and, where needed, additional straw bales and/or silt fences, erosion mats installed to treat any runoff. Part of the area also has a collection ditch below the straw bales. Where needed, this ditch has a series of straw bales across the drainage at 15-20 foot intervals. Much of the ditch has become well grassed-in and is almost indistinguishable from the adjacent undisturbed areas and does not need any additional silt control devices as the runoff has already been treated with strawbales and/or silt fences.

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Skyline Mine
Added Asphalt@Tipple
Task ID #3360 /PHH

Reclamation Cost Estimate
Required Bond Amount

Revised April 2010

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,941,766
Subtotal Backfilling and Grading	\$941,073
Subtotal Revegetation	\$876,537
Direct Costs	\$3,759,376

Indirect Costs

Mob/Demob	\$375,938	10.0%
Contingency	\$187,969	5.0%
Engineering Redesign	\$93,984	2.5%
Main Office Expense	\$255,638	6.8%
Project Management Fee	\$93,984	2.5%
Subtotal Indirect Costs	\$1,007,513	26.8%

Total Cost 2006	\$4,766,889
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Escalation factor	3
Number of years	0.013
Escalation	\$188,195

Reclamation Cost Escalated	\$4,955,084
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$4,955,000
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Posted Bond September 19, 2006	\$5,137,000
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Difference Between Cost Estimate and Bond	\$182,000
Percent Difference	3.67%

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Page 1 of 1

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Shop Warehouse 01																			367595
	Administration Bld 02																			25308
	Mine No 1 Transfer Tower 03																			35853
	BC 2 Drive House 04																			8893
	BC 3 Drive House 05																			36359
	Crusher Raw Coal 06																			18741
	Truck Loadout 07																			2592
	Railcar Loadout 08																			21764
	Conveyors & total 09																			87788
	Water Tanks Two 10																			6084
	Pump House 11																			1233
	Well House Three 12																			4428
	Water Treatment Bld 13																			16800
	Misc Storage Bld 14																			3809
	Overland Conveyor 15																			88532
	Guard Rail 16																			18300
	Rock Dist Bld 17																			5835
	Overland Dust Collector 18																			1248
	Substation 19																			1980
	Power Line 20																			4605
	Cap Magazine 21																			33
	Fuel Storage 22																			2954
	Propane Tanks 23																			527
	Stacking Tube 24																			5516
	Reclaim Tunnel 25																			45632
	Slope Protection Apron 26																			17532
	Concrete Lined Ditch 27																			485
	Raw Coal Silo 28																			15831
	Parking Area Middle 29																			2451
	Truck Loadout Foundation 30																			233
	Road Pad Lower 31																			3766
	Silo Rail Loadout 32																			140333
	Loadout Foundation RR 33																			3769
	Pavement Rail Loadout 34																			5769
	Steel 35																			4464
	James Canyon 36																			6975
	Culvert Backfilling 37																			142752
	Channel Construction 38																			6132
	Equipment 39																			528279
	Portal Face Door 40																			245525
	Concrete Building 41																			5823
																				2158

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Pavement Rail Loadout 34																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Drive																			
	Disposal Cost Steel																			
	Subtotal																			
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Pavement Removal 3"	ConcreteDemol1	6.81 /CY							518					SY			52 CY	354
	Concrete's Vol. Demolished	Concrete Demolition														YD	1.3	68 CY	97	
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.43 /CY					0.1									68 CY	237	
	Transportation Cost	12 CY (16 ton) Dump Truck 12 mi. md. tr	02315 490 0320	3.49 /CY														68 CY	527	
	Disposal Costs	On site disposal	02220 240 5550	7.75 /CY														68 CY	1215	
	Subtotal																			
	Asphalt Demolition																			
	Demolition Cost	Pavement Removal 3"																		
	Asphalt's Vol. Demolished	Disposal at approved facility																		
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.43 /CY														142 CY	204	
	Disposal Costs			35 Ton						15371		0.61				Ton		87 Tons	3045	
	Subtotal																		3245	
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			4451

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Pavement Rail Loadout 34																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Subtotal																			
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Pavement Removal 3"	Concrete demolition	6.81 /CY							518									354
	Concrete's Vol. Demolished																			
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.43 /CY					0.1								1.3		52 CY	
	Transportation Cost	12 CY (18 Ton) Dump Truck 1/2 mi. rd. tri	02315 490 0320	3.49 /CY															68 CY	97
	Disposal Costs	On site disposal	02220 240 5550	7.75 /CY															68 CY	237
	Subtotal																		68 CY	527
	Subtotal																			1215
	Asphalt Demolition																			
	Demolition Cost	Pavement Removal 3"	Disposal at approved facility																	
	Asphalt's Vol. Demolished																			
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.43 /CY															142 CY	204
	Disposal Costs			35 Ton							15371	0.61							87 Tons	3045
	Subtotal																			3249
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			4484